

# The Gazette of India

## EXTRAORDINARY PART II—Section 3—Sub-section (i) PUBLISHED BY AUTHORITY

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### RESERVE BANK OF INDIA

#### CENTRAL OFFICE

(Department of Banking Operations)

#### NOTIFICATION

*Bombay, the 11th March 1960*

**G.S.R. 317.**—In exercise of the powers conferred by sub-section (1A) of Section 42 of the Reserve Bank of India Act, 1934, the Reserve Bank of India hereby directs—

- (i) that every scheduled bank shall, with effect from the expiry of the 11th March 1960, maintain with the Reserve Bank an additional average daily balance, which shall be in addition to the average daily balance required to be maintained under sub-section (1) of that section; and
- (ii) that the amount of such *additional* average daily balance shall not be less than 25% of the amount by which its demand and time liabilities subsequent to the 11th March, 1960 exceed its demand and time liabilities at the close of business on that date.

[*Explanation.*—"Demand and time liabilities" mean the demand and time liabilities as shown by the scheduled bank in the relative return submitted by it to the Reserve Bank under sub-section (2) of Section 42 of the said Act.]

2. The Reserve Bank also hereby determines, in pursuance of sub-section (1B) of Section 42 of the said Act, that interest on the amount of the *additional* average daily balance maintained by reason of and in full compliance with this directive, will be paid for the quarter ending 31st March, 30th June, 30th September or 31st December respectively calculated at the same percentage as the *average* rate of interest paid for the corresponding quarter by the scheduled bank on its total deposits:

Provided that such rate shall not exceed the Bank rate.

[No. DBO. Sch. 1895/C.110-60.]

C. S. DIVEKAR, Executive Director.

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